2016 was a year of bold, forward-looking action.

In all that we do, we always keep uppermost in our thoughts and our decisions the people we serve — the millions of older adults facing severe challenges and heart-wrenching choices about which basic need they can meet today, and which they will have to forgo.

In 2016, we shifted our focus to embrace a cohesive approach that takes into account “social determinants of health.” These factors are frequently beyond the control of the people who struggle with them — and the common thread linking them is poverty.

Poverty is the ultimate social determinant of health. It is a health issue not only for the individual, but also for our society as a whole. People suffering from poverty cannot avoid its consequences. They wake up to that reality every day.

During the last year, we launched innovative programs, explored new avenues for collaboration, and looked for fresh approaches on the thorniest problems facing low-income older adults. As we intensified our efforts to end senior poverty, we consistently asked ourselves, “How does this program advance our central vision of a country free of poverty where no older adult feels vulnerable?” In each endeavor, we applied the Foundation’s guiding principles: Drive Innovation, Focus on Outcomes and Impact, Value the People We Serve, Make Disciplined and Informed Decisions, and Achieve Operational Excellence and Sustainability.

We can only provide the critical assistance so many older adults need with the help of all our donors, sponsors and volunteers. Thank you for supporting our efforts in 2016 and for your continued support moving forward.

As we take ever-bolder steps, crossing lines and bridging gaps, it’s my sincere hope that you’ll continue this journey with us.

With gratitude,

Lisa Marsh Ryerson
President, AARP Foundation
Today, more adults over 50 are living in poverty than ever before.

Weighed down by hunger ... unaffordable, inadequate housing ... limited income ... isolation. They’re our neighbors. They’re our loved ones.

People who never thought this day would come.

Whose struggle for survival is hiding in plain sight. Vulnerable and forgotten ... hopeful they can find a way back up.

Their plight drives our work.
Foundation initiatives served more than 3,000,000 vulnerable older adults

$61.2 million was raised for Foundation programs

5.5 million+ hours of community service contributed by AARP Foundation SCSEP participants (valued at over $120 million)

29,723 volunteer hours donated through the Miami Dolphins Special Teams powered by AARP Foundation

Nearly 44,500 volunteers supported our programs

2.3 million individual donors gave to the Foundation

HIGHLIGHTS

1,587,168 meals were delivered to low-income families, veterans and first responders, packed by 4,200+ volunteers during A Celebration of Service on the National Mall, 9/11 & 9/12

$115.1 million received from AARP to establish a permanently restricted AARP Foundation endowment fund

AARP Foundation Experience Corps volunteers invested 390,051 hours in helping 31,406 students improve their reading skills

2,760,616 taxpayers received free tax preparation services from more than 35,000 Tax-Aide volunteers

The Foundation’s Housing Solutions Center counseled 2,112 at-risk homeowners

Nearly 5,000 unemployed and low-income older workers attended BACK TO WORK 50+ Smart Strategies Workshops

Nearly 28 cases to protect the rights of older adults

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138,968 people were served by AARP Foundation’s consumer fraud team

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2,112 at-risk homeowners

$243,520,240 earned income tax credits received by taxpayers helped by AARP Foundation Tax-Aide

138,968 people were served by AARP Foundation’s consumer fraud team
Pioneering Solutions to Help Older Adults Thrive

“Business as usual” approaches are not sufficient to address our nation’s senior poverty crisis. We are continually creating and advancing solutions that don’t just patch the problem, but help build the skills older adults need to overcome the obstacles — now and in the future.
### Seeking an End to Social Isolation

Today, what might be called "retro" social networks — person to person, real, not virtual or anonymous — are declining. And many older adults are paying a steep price for that drop.

Isolation touches more than the isolated. The striking and urgent fact we’ve now uncovered is that isolation and loneliness are as bad for your health as smoking. Research shows that prolonged isolation is equivalent to smoking 15 cigarettes a day.

In the fall of 2016, AARP Foundation set out to find solutions to address the destructive effects of social isolation. Connect2Affect is our long-term commitment to solving this growing public health issue. It brings together AARP Foundation, the Gerontological Society of America, the National Association of Area Agencies on Aging, Give an Hour, and UnitedHealth Group.

Through research-based tools and resources to help evaluate isolation risk, we are reaching out to those who may be feeling lonely and disengaged, and providing practical ways to reconnect them to the community.

### Innovation for Aging in Place

We believe that good ideas can come from many places, with different perspectives helping to solve a problem. This belief shaped our first-ever Aging in Place Challenge, which gave startups from across the country the chance to win a $50,000 cash prize for big, bold solutions that will help low-income seniors continue to live independently and comfortably in their own homes as they age.

The winner, Care Angel, is the world’s first caregiving assistant powered by artificial intelligence, offering free, daily check-in “Care Calls” that monitor older people’s health and daily living needs and offer guidance. The prize will enable Care Angel to develop a national model; in the meantime, Care Angel will provide its service to 5,000 low-income older adults next year.
A Place Called Home

We all want a home that can adapt to our needs as we age.

AARP Foundation incorporates human-centered design into all of our programs and services. For housing, that means supporting universal design — an approach to home building, remodeling and community development that centers on safety, ease of movement and attractive design, for all ages and incomes, both inside and outside the home.

This is the future of housing: innovative, human-centered designs that allow people to grow older with dignity and purpose.

Home Today, Home Tomorrow Design Challenge

With the groundbreaking Re-defining Home: Home Today, Home Tomorrow Design Challenge, we challenged architects nationwide to create a house that adults can remain in throughout their lives.

The three top designs were selected because they hewed to the principles of universal design. All three went beyond traditional shelter and addressed the connections between housing and other important social factors, such as community, affordability, accessibility, esthetics, flexibility and environment.

The winning team from IBI Group/Gruzen Samton embodies our intergenerational approach to problem solving: All of the designers are under the age of 30, yet their design proves that independent living is possible for people of all income levels — including the most vulnerable seniors.
Building Lasting Solutions

We believe that no single policy, government department, organization or program can tackle or solve the increasingly complex social problems we face as a society. The best way to solve a problem is through collaboration across organizations and generations, each of us adding our own strengths and multiplying those strengths to generate impact.

Barely a year after it launched, Age Strong was already living up to its name, helping older adults stay strong and secure as they age. The social investment initiative is investing $70 million in organizations that create affordable homes, increase access to healthy foods, improve financial security, and offer more community-oriented models of care. Since the initiative began, over $14 million has been deployed to five projects across the US, benefiting more than 22,000 low-income older adults.

Investments in Age Strong are helping to support initiatives such as the development of medical facilities that will serve low-income older adults in primarily rural communities or transforming a grocery store into a one-stop shop that includes health-related check-ups and services. By funding these programs and services, Age Strong is advancing social enterprise and supporting stronger, more vibrant communities.

A Common Mission: To Heal

With Root Cause, a collaboration with ProMedica, we are putting that natural affinity to practical effect to heal individuals and whole communities by addressing root causes — the social determinants of health.

The Coalition convened its First Annual Summit on the Social Determinants of Health in Chicago. Over 400 representatives from health care, the faith community, the nonprofit sector and government programs, as well as researchers and clinicians, shared best practices, offered community connections and resources, and engaged in crucial discussions about addressing the social determinants of health. The Coalition harnesses the leadership power of health care and community organizations to develop and launch strategies that create positive change, improve individual health and well-being, and deliver sustainable results for our communities and nation.

Recognizing that nutritional requirements for adults age 50 and older differ from those of younger adults and children, we collaborated with the Jean Mayer U.S. Department of Agriculture Human Nutrition Research Center on Aging at Tufts University to unveil the innovative MyPlate for Older Adults in May. The modern MyPlate presents clear instruction while also addressing food-insecurity issues by offering an easy-to-understand guide to choosing healthy foods on a limited budget.

In November, AARP Foundation and IMPAQ International released Implementing Food-Security Screening and Referral for Older Patients in Primary Care — a resource guide and toolkit for health professionals. Addressing food insecurity across the health care continuum fosters individual health and wellness, which ultimately can lead to substantial health care savings.

Building Local Capacity

In our tireless search for effective solutions that help vulnerable older adults secure the essentials, the Foundation launched a grant competition to find innovative, evidence-based strategies that can be nurtured, evaluated and brought to scale.

The seven grantees we selected offer leading-edge approaches to a range of issues, from food insecurity to isolation and employment. One grantee created a mobile market that brings fruits and vegetables to low-income older adults. Another enables home-bound, low-income seniors to use SNAP benefits to pay for home-delivered food. Yet another aims to help create quality jobs for older home care aides and older women reentering the workforce.
Community in Action

Our volunteers fuel our work in communities across the country. We are creating opportunities for people of all ages to help transform the lives of vulnerable older adults.

“I have to give back what someone gave to me. I’m very happy tutoring because I feel like I’m a rock star.”

- Ron Wideman
Experience Corps volunteer
Mentoring Across Generations

At AARP Foundation, we believe mentoring is a two-way street: Just as a young person can learn from the life experiences of an adult, the reverse is true as well.

Fourth-graders who can’t read at grade level are four times less likely to graduate from high school. That’s why for 20 years, AARP Foundation Experience Corps has matched adults age 50 and older with struggling students in public schools to tutor them in reading. Experience Corps — an award-winning, evidence-based, intergenerational tutoring program — is proven to help children who aren’t reading at grade level become better readers by the end of third grade. It not only helps students at a critical juncture in their education but also engages older adult volunteers in their communities, putting their wisdom to work while helping many of them regain a sense of purpose and involvement.

During the last school year (2015–2016), 1,993 Experience Corps volunteers helped 31,466 K-3 students in 241 schools in cities across the country. Teachers reported that 67 percent of students who were reading below grade level at the beginning of the year improved by half a grade level or more, with 29 percent reading at or above grade level by the end of the year.

A Community Partnership

Intergenerational mentoring is also at the core of our work with the Miami Dolphins. From meal packing to fixing homes to financial education to building connections, intergenerational volunteers work together in the service of older adults in the Miami-Dade area.

Our Salute to Service event gave veterans an opportunity to share their experiences and insights, and high school ROTC cadets a chance to help them stay connected through a variety of digital vehicles. In 2016 we brought together nearly 70 South Florida military veterans and students to share stories, find common ground and build intergenerational connections. The participants will continue to meet and mentor one another throughout 2017 and beyond. In May 2016, more than 4,000 volunteers joined us and the Miami Dolphins to pack over 1 million meals for distribution in Miami-Dade, Broward and Palm Beach counties.
Credit Where Credit Is Due

For more than 50 years, volunteers with AARP Foundation Tax-Aide have helped low- and moderate-income taxpayers prepare their tax returns for free, with special attention paid to older adults. We provide our volunteers with the training and technical assistance they need to help taxpayers receive all of the applicable tax credits and deductions they’ve earned.

In 2016, IRS-certified Tax-Aide volunteers helped 2.7 million people navigate complicated tax codes, ensure proper credits and deductions, and file their federal and state tax returns. Taxpayers who used Tax-Aide last year received $1.41 billion in income tax refunds and more than $240 million in earned income tax credits.

“‘It’s the thanks we get from those we help, It’s such a good feeling.’”
— Beverly Williams, Tax-Aide volunteer

Nourishment for Body and Soul

More than 10 million older adults struggle every day with limited or no regular access to affordable, nutritious food. Even as we recognize that hunger is only one of the elements of senior poverty, it’s also true that sometimes we need to address the food component directly.

AARP Foundation once again provided nourishing meals to vulnerable older adults by harnessing the power of community engagement. On the anniversary of the 9/11 attacks, we hosted A Celebration of Service on the National Mall in Washington, D.C. More than 4,200 volunteers packed more than 1.5 million meals for low-income seniors in the D.C. region during the two-day event.

“‘My body’s tired, but my soul is inspired.’”
— Bob Somerville, Celebration of Service volunteer
A Hand Up

Our programs and services help make connections between older jobseekers looking to remain in or return to the workforce and employers looking to benefit from mature, experienced employees.

“It’s motivated me to get out there and go get that job. It empowered me and gave me the courage I needed.”

– Jeri McMillian
BACK TO WORK 50+ Women's Economic Stability Initiative graduate
AARP Foundation Senior Community Service Employment Program (SCSEP) matches low-income, unemployed jobseekers age 55 and older with local nonprofits and public agencies so they can increase skills and build self-confidence while earning a modest income. Their SCSEP experience often leads to permanent employment.

In 2016, SCSEP served more than 13,000 low-income older adults at over 3,600 host agencies and placed more than 3,500 in non-host-agency jobs.

BACK TO WORK 50+ (BTW50+) connects struggling older adults with the information, support, training and employer access they need to regain employment, advance in the workforce, and build financial capability and resiliency to prevent them from slipping into poverty later in life.

Among 2016’s highlights, we served more than 10,000 workers through the BTW50+ Contact Center with Smart Strategies Guides and referrals to local resources. Nearly 5,000 unemployed and low-income workers attended Smart Strategies Workshops hosted by our 24 community partners in 15 states. More than 2,600 continued on to join the BTW50+ Coaching Programs, and over 850 of those coached have reported employment so far.

For many, the goal of improved financial stability has been accomplished through self-employment in one of its many forms: side gigs, freelancing, contracted services, or starting a small business or microbusiness. The Foundation’s newest employment program, Work for Yourself@50+ offers free information, support and resources to help low- to moderate-income older adults make smart decisions about self-employment. Since launching in the summer of 2016, our 17 grantees have served more than 800 people.

“I am so excited about BACK TO WORK 50+. I encourage everyone who calls here to sign up for the program, because it is a huge help.”
— Gloria Santos, BACK TO WORK 50+ participant
Disaster Relief

For vulnerable older adults, a natural disaster intensifies the struggles they already experience — so when Louisiana was pummeled by catastrophic flooding last year, we moved quickly.

An outpouring of support from more than 7,400 donors was matched with a gift from AARP and AARP Foundation, allowing us to deliver $1 million to organizations on the ground helping older adults get back on their feet in the wake of the disaster.

Restoring a Sense of Purpose

Cathy Alexander had a longstanding goal: to leave her job as a retail sales clerk at a Birmingham, Ala., discount store. At age 59, she wanted more stability, better hours and a sense of purpose — but her résumé was generating no interviews and, as far as she could tell, no interest.

AARP Foundation’s BACK TO WORK 50+ program changed all that.

At the Jefferson State Community College site, she was paired with a career coach who helped her market herself as a customer service expert to local employers. Cathy now has a full-time job at the Birmingham-based eCo Credit Union.

“They helped me redo my résumé and the college’s career services office used their connections to outside businesses to get me the new job that I love,” Cathy said. “I didn’t even know that resource was out there!”

Cathy goes to work now with a new sense of purpose and pride.

“I actually enjoy my work every day now, instead of getting up thinking, ‘Oh, I don’t want to go back in today.’”
Advocating for Older Adults in the Courts

AARP Foundation advocates for the rights of people 50 and older in courts nationwide, addressing legal issues that affect their daily lives and serving as their voice in the judicial system.

AARP Foundation had a busy year in and out of court. We provided assistance to the plaintiffs in a contentious age discrimination case against The Ohio State University. A feature story in The New York Times highlighted the lawsuit and the subject of age bias in the workplace, accompanied by a sidebar of tips on fighting age discrimination.

In October, following the Equal Employment Opportunity Commission’s (EEOC) reversal of its longstanding policy protecting individual employees from being pressured into revealing confidential medical and genetic information to their employers, we filed suit. The new regulations veer from the EEOC’s important role of protecting against discrimination and make employees vulnerable to unfair bias. We expect a decision in the lawsuit this year.

In the fall, we went to trial against the District of Columbia, challenging the District’s failure to provide low-income seniors with the services necessary to enable them to leave nursing homes and receive services in the community. As a result, thousands are unnecessarily institutionalized in nursing facilities, segregated and isolated from their families and friends. The court should issue a decision by this summer.

AARP Foundation settled a lawsuit against an Illinois supportive living facility to resolve allegations that the provider categorically excluded any applicant who had or was believed to have had any mental health issues, contrary to federal housing and disability non-discrimination laws. We also resolved an age discrimination lawsuit against a health care system that we alleged subjected an employee to an unlawful mandatory retirement provision.

In 2016, as in every year, the Foundation worked to protect older adults from age discrimination, abuse and neglect, consumer and financial fraud, and unfair health and housing policies.

“May our torches of enthusiasm and dedication help others play a vital role in the American Dream of today.”

— Ethel Percy Andrus, AARP Founder
Thank you.

Thank you for believing in AARP Foundation’s mission and our work to improve the lives of vulnerable older adults. Your generous support in 2016 is helping ensure low-income seniors can live independently for as long as possible, get enough nutritious food every day, and maintain strong and lasting connections to their friends, family and community.

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AARP Services Inc.
Acumen Solutions
The Angell Foundation
Avis Budget Group
Bank of America
Bank of America Merrill Lynch
Betty Lee & Dudley P. Digges Memorial Fund of the Baltimore Community Foundation
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The Links, Inc.
MAXIMUS Foundation
Miami Dolphins
The Morris & Gwendolyn Cafritz Foundation
New York Life
Nora Roberts Foundation
Office Depot Foundation
The Outreach Program
Parentis Health
Patricia Kind Family Foundation
Paul & Pearl Caslow Foundation
The Pew Charitable Trusts
Regal Entertainment Group
The Reston Chapter of The Links, Inc.
Revelations Entertainment
Robert Wood Johnson Foundation
Ronald H. Ringer Foundation
RR Donnelley
The SCAN Foundation
Serve DC
State of Colorado
State of Florida
State of Iowa
State of Maryland
State of Nevada
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<th>Amount</th>
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<tr>
<td><strong>Leader Level $5,000 - $9,999</strong></td>
<td>Anonymous (1)  Terry Caddell  Joseph Coughlin  K. Patricia Cross  Linda Fincher  Marvin Fincher  Lloyd E. &amp; Juanita Johnson  Dr. Matthew Krecic  Edward Light  Barbara E. Lindstrom  Anne &amp; Paul Marcus Family Foundation  Jutta Mosse  Donald G. Smith Jr.  Beth &amp; David Whitehead  C. Kalina Wong</td>
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Supporter Level $1,000 - $2,499

Anonymous (42)
Alice Akan
David T. Albee
Jean Alexander
Jody Ames
Lynda Amey
Rawle Andrews Jr.
Leo & Cindy Asen
Ruth Baker
Carol Ball
Stephen Barlow
William Barnes
Mario Barrera
Joan H. Bauman
William J. Benko
Ruth Bennett
Dorothy Bertucci
Cecilia Besnard
Catherine A. Best
Bob Blancato
Sy Blechman
Beverly Bowman
Kimberly Brady
Gerald Brazle & Diane Bowers
Kilbee Brittain
Michael Brown
Oscar Brown
Michael Bugosh
Barbara Buit
Virginia Bunnell
Petra Burke Ramirez
Larry J. Campbell
William Capps
Deborah Casnoff
Leona Chanin
Francis Chiozza
Upendra Chowiera
Gail A. Clark
Jo Ann Clark
Anthony Clesceri
Thomas Colclasure
Susan Colvin
Gretchen M. Dahlen

Judy Dalton
Nora Daly
Vic Damone & Rena Rowan-Damone
Jean Dandy
Nancy Davies
Russell Deselle
John DesPrez
Rene Diaz
John Dixon
Joseph Dodich
Anna Dombrowski
James K. Donnell
Kevin J. Donnellan
Diane Doyle
Dr. James Drace
Robert Drost
Mary Dryden
Faustino Duro
Mary Edwards
Margaret Egar
K. James Ehlen, M.D.
Elizabeth Ellard
Robert Ellsworth
Donna Evans
Robert Fairfield
Robert Farster Sr.

Joseph Grosso
Claudio Gualtieri
Cornelia Haag
Elmer Hamilton
Bucky Hazan Jr.
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Michael Hebert
Deborah Henderson
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Nancy Passanante
Catherine Perez
Stephen Pinney
Denise Pittsch
Vincent Pitta
Janet Porter
**Financials**

This summary of financial information has been extracted from the AARP Foundation audited financial statements for the year ended December 31, 2016, and on which an independent public accounting firm expressed an unmodified opinion.

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**FOR THE YEARS ENDING DECEMBER 31, 2016, AND DECEMBER 31, 2015 (IN THOUSANDS)**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
<th>2015</th>
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<td>Cash and cash equivalents</td>
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<td>Charitable gift annuity investments</td>
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<td><strong>Total Assets</strong></td>
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<td><strong>131,866</strong></td>
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<table>
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<tr>
<th>LIABILITIES</th>
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<th>2015</th>
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<td>Property and equipment, net</td>
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<td><strong>Total Liabilities</strong></td>
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<table>
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<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>268,642</strong></td>
<td><strong>131,866</strong></td>
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### CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDING DECEMBER 31, 2016, AND DECEMBER 31, 2015 (IN THOUSANDS)

#### OPERATING REVENUE

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant revenue</td>
<td>$94,839</td>
<td>$88,784</td>
</tr>
<tr>
<td>Contributions</td>
<td>184,954</td>
<td>64,871</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>55,935</td>
<td>52,024</td>
</tr>
<tr>
<td>Investment income</td>
<td>3,970</td>
<td>3,650</td>
</tr>
<tr>
<td>designated for operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,942</td>
<td>1,583</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>341,640</td>
<td>210,912</td>
</tr>
</tbody>
</table>

#### EXPENSES

**Program Services:**
- SCSEP: 107,922 / 105,649
- Tax-Aide: 12,297 / 11,243
- Experience Corps: 11,624 / 11,137
- Impact areas and other programs: 38,116 / 34,801
- Legal advocacy: 4,751 / 5,455

Total Program Services: 174,710 / 168,285

**Supporting Services:**
- Fundraising: 24,704 / 22,730
- Management and general: 19,285 / 15,321

Total Supporting Services: 43,989 / 38,051

Total Expenses: 218,699 / 206,336

#### OTHER CHANGES IN NET ASSETS

- Investment (loss) return in excess of amounts designated for operations: 10,225 / (4,255)
- Inherent contribution of Experience Corps net assets: - / 774
- Change in value of charitable gift annuities: (5) / (69)

Change in Net Assets: 133,161 / 1,026

Net Assets, Beginning of Year: 82,415 / 81,389

Net Assets, End of Year: $215,576 / $82,415

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**Sources and Uses of Funds**

AARP Foundation receives funding from multiple sources, including public support, grants and AARP. Eighty cents of every dollar the Foundation spends goes to our important programs and services to improve the quality of life for vulnerable older adults in your community and across the country.
ABOUT AARP FOUNDATION

AARP Foundation works to ensure that low-income, vulnerable older adults have nutritious food, housing that is affordable, livable and healthy, a steady income, and strong and sustaining social bonds. We collaborate with individuals and organizations who share our commitment to innovation and our passion for problem-solving. Supported by vigorous legal advocacy, we create and advance effective solutions that help struggling older adults transform their lives. AARP Foundation is a 501(c)(3) charitable affiliate of AARP.

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